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DELAWARE
STATE AUDITOR

***Delaware Health
Information Network
Financial Statement Audit
for Fiscal Years 2019 and 2020***

What Was Performed? A financial statement audit of the Delaware Health Information Network for fiscal years ended June 30, 2019 and 2020.

Why This Engagement? This engagement was performed in accordance with 16 *Del. C.* § 10303(a)(18) and 29 *Del. C.* § 2906.

The Delaware Health Information Network (DHIN) was created by the General Assembly in 1997 as a public-private partnership to benefit all Delawareans. DHIN became a public instrumentality of the state in 2011.

DHIN is the sole corporate member of the Delaware Center for Health Innovation Inc. (DCHI), a charitable nonstock corporation incorporated in 2014. DCHI was created to further the efforts of the Delaware Health Care Commission (DHCC). The goal of DHIN is to advance the creation of a statewide health information network and to address Delaware's needs for timely, reliable and relevant healthcare information. DHIN's major operation is the design and implementation of an integrated statewide health system.

DHIN's activities are financed and operated as an enterprise fund in such a way that costs and expenses of providing services are primarily recovered through user charges. DHIN's net position decreased 3 percent in FY19 and increased 19 percent in FY20. Operating expenses exceeded operating revenue both years.

DHIN revenue included results delivery revenue from related parties, community health record fees and professional service income. DHIN's operating revenue increased 14 percent in FY19 and decreased 10 percent in FY20. Those fluctuations were related to DHIN's services to DHCC, which supports the development of Delaware's Health Care Claims Database (HCCD). DHCC funded these costs through a \$2 million State Innovation Model grant.

DHIN was also approved for a \$505,567 federal Paycheck Protection Program (PPP) loan in May 2020 amid changing federal guidance regarding which entities qualified for such loans. At DHIN's request, the federal government waived the loan repayment in December 2020. DHIN expected to use these funds to support employee salaries in FY21; however, our office has not yet audited DHIN's FY21 statements to confirm the use of that money.

What Was Found? It is my pleasure to report this audit contained an unmodified opinion.¹

The Delaware Health Information Network Financial Statement Audit for Fiscal Years ended June 30, 2019 and 2020, can be found on our website [here](#).

For any questions regarding the attached report, please contact State Auditor Kathleen K. McGuinness at Kathleen.Mcguinness@delaware.gov.

¹ An unmodified opinion is sometimes referred to as a “clean” opinion. It is one in which the auditor expresses an opinion that the financial statements present fairly, in all material respects, an entity’s financial position, results of operations and cash flows in conformity with generally accepted accounting principles.